

January 23, 2019

Seward Economic Development Program - LB 840 Application Review Board

January 23, 2019 - 5:30 p.m.

Seward Municipal Building, Council Chambers, 142 North 7th Street, Seward, Nebraska

The meeting was called to order at 5:30 p.m., with the following members present: Ellen Beck, Jessica Kolterman, Ann Underwood (5:38 p.m.), Karl Miller, Patricia Coldiron, Patricia Johnson (5:34 p.m.), John Owens ; Absent: Jeremy Tonniges. Also in attendance were: Josh Delcamp (with one staff member), Danny Petersen, Scott Dinslage, Seward County Chamber & Development Partnership Director Jonathan Jank, City Administrator/Program Administrator Greg Butcher, Marilyn D. Varner, Deputy Clerk/Finance Director/Assistant Treasurer (recording minutes).

1. MINUTES – DECEMBER 18, 2018

Moved by Kolterman, seconded by Miller, that the December 18, 2018 minutes be approved.

Aye: Miller, Coldiron, Owens, Beck, Kolterman

Nay: None

Absent: Tonniges, Johnson, Underwood. Motion carried.

2. FINANCIAL REPORT - REVIEW

Moved by Owens, seconded by Kolterman, that the financial report ending December 31, 2018, be approved.

Aye: Beck, Kolterman, Miller, Coldiron, Owens

Nay: None

Absent: Tonniges, Johnson, Underwood. Motion carried.

3. GREEN FUTURE PROPERTIES; 156 SOUTH 5TH STREET - REQUEST FOR \$100,000.00 FORGIVABLE LOAN & \$100,000.00 LOW-INTEREST LOAN

Josh Delcamp, representing Green Future Properties, 156 South 5th Street, was present to again request approximately \$200,000.00 in loans for business development. This request was previously reviewed, but tabled at the December 18, 2018 meeting.

Butcher reviewed the application, with the suggestion that the total loan amount be increased to \$235,000.00 for 15 years at half of prime interest rate (2.75%). This loan could be granted with twelve percent (12%) of the total forgivable near the end of the loan term if all conditions of the loan were made (repayments on-time, etc.) He explained that funding from LB 840 funds is not currently available for the total amount, but suggested that one-half (\$117,500.00) be distributed possibly the end of February or first part of March, 2019, and one-half (\$117,500.00) distributed the end of July or first part of August, 2019.

Discussion was held regarding future applications for funding and the lack of available funds to meet future requests. The Board felt that applications could still be accepted, but applicants may have their requests delayed if funding was not immediately available.

Delcamp reviewed plans for the building at 156 S. 5th St., including office space for their business and a restaurant on the main level and apartments on the second floor.

Moved by Kolterman, seconded by Owens, to approve a loan of \$235,000.00 to Green Future Properties, 156 South 5th Street, for fifteen (15) years at half of prime lending rate (2.75 percent per annum). This loan will be distributed in two equal payments (\$117,500.00 each) when City's LB 840 funding is available (possibly February-March, 2019 and again in July-August, 2019).

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Interest payments will begin at the first of the month after the first payment is distributed and principal and interest payments will begin after the total amount of the loan is distributed.

Aye: Miller, Coldiron, Owens, Beck, Kolterman

Nay: Underwood, Johnson

Absent: Tonniges. Motion carried.

4. BARELY LEGAL DISTILLING LLC; 310 North 5th Street – UPDATE ON PROJECT & REQUEST FOR TWELVE-MONTH TERM EXTENSION ON LOAN PAYMENT

Danny Petersen, Barely Legal Distilling LLC, 310 North 5th Street, reviewed history on their LB 840 grant and loan (\$15,000.00 grant and \$70,000.00 loan—five years at 2.25 percent per annum, approved January 31, 2018, with the first 18 months' repayments being interest only and the remaining 42 months' repayments being principal and interest). Due to new, additional State regulations regarding building renovation and the applicants' decision to complete additional areas on the main floor (tasting room/bar/food service), their business start-up has been delayed. Petersen is requesting an additional 12 months in interest payments only, and an extension of 12 months repayment of loan principal and interest.

Moved by Underwood, seconded by Kolterman, to approve the request from Barely Legal Distilling LLC, 310 North 5th Street, to extend interest only payments for an additional twelve months (30 months total) and an additional twelve months on repayment of loan principal and interest on the previously approved loan to their business (total loan period of six years, 72 months total).

Aye: Miller, Johnson, Owens, Beck, Kolterman, Underwood

Nay: Coldiron

Absent: Tonniges. Motion carried.

5. MOTION TO ADJOURN

The meeting was adjourned at 6:18 p.m. in a motion by Kolterman, seconded by Underwood.

Aye: Underwood, Miller, Johnson, Coldiron, Owens, Beck, Kolterman

Nay: None

Absent: Tonniges . Motion carried.